Welcome to the CACFP Child Care Center Application and Budget Renewal Training FY2014

Taking Care of Business

Housekeeping

- *Parking/validation*
- *Restrooms*
- *Food/Vending*
- *Cell Phones*

Training Topics

- *Program Regulations (VCA)*
- *Budget Information*
- *Application/Management Plan*
- *Helpful Reminders/Tips*
- *Record Maintenance*
- *Common Review Findings*
- *At Risk Afterschool Program*
- *Civil Rights*
- *CNP Web Online Applications*
- *Due Date/Directory/Survey*
- *Q & A Panel*

Program Regulations (VCA) 226.6(b)(1)(xvii)(A-C)

What does it mean to be VCA?

- *Federal regulations require all participating institutions*

    *to be Financially **V**iable;*

    *to be administratively **C**apable;*

    *and to have internal controls in place to be **A**ccountable*

    for Program funds and compliance with Program requirements

- *This is to ensure that tax payers' money is being used effectively for the intended purpose*

What does it mean to be VCA?

- *Financially **V**iable means that the institution has adequate financial resources to maintain operations, even if there is a disruption in normal income or a delay in reimbursement. Administratively **C**apable means that the institution has enough qualified staff members to meet all CACFP requirements. Having internal controls in place to be **A**ccountable means that the institution follows management and accounting practices.*

Budget Information 226.6(b)(1)(xvii)(A)(3)

Program costs must be:

- *Necessary*
- *Reasonable*
- *Authorized*
- *Current*
- *CACFP Only*
- *Consistent Treatment*
- *Allocated properly*
- *Documented*

Budget information FNS 796-2, Rev. 3

Allowable Costs

- *Amount paid is based upon:*
  - *Number of meals served*
  - *Eligibility of the participants*
- *The funds received may not cover all of the allowable costs*
  - *Other funds may be needed; tuition fees, donations, etc.*
- *Operating costs*
  - *Costs for the preparation and service of meals*
  - *Food – 50% minimum*
- *Administrative costs*
  - *15% limit*

Budget Information FNS 796-2, Rev. 3

Operating Costs

- *Food costs (min 50%)*
- *Costs of nonfood supplies*
- *Food service labor*
- *Costs of purchased services*

Administrative Costs

- *No more than 15% of reimbursement may be spent on Administrative costs*
- *Administrative costs*
  - *Labor*
  - *Other*
- *Examples include:*
  - *Preparing monthly claim*
  - *Completing F/R/P Applications*
  - *Maintaining Rosters*
  - *Monitoring (required for sponsors with 2 or more centers)*

Budget Information FNS 796-2, Rev. 3

Allowable Costs

- *Creditable foods served to the participants*
- *The cost of obtaining food used in the CACFP meal service*
- *Non-food supplies used in the meal service including paper towels, dishwashing detergent, sanitizers, cleanser, napkins, plates, cups, and utensils*

Unallowable Costs

- *Food purchased for personal use (meals for meetings, restaurant meals, and non-creditable foods such as candy, soda, and potato chips)*
- *The value of donated food. (Must keep documentation of donated foods that specify the food item(s), fair market value or shared maintenance fee paid, and date received)*
- *Non-food supplies such as toilet paper, toothpaste, supplies for arts and crafts, or items of clothing*

Budget Information FNS 796-2, Rev. 3

Unallowable Costs

- *Interest expense*

- *Returned check fees*

- *Loans for any reason from the CACFP account*

- *Cola drinks*

- *Bottled water*

- *Food and beverage consumed by staff (i.e., coffee)*

- *Food served to participants at times other than meal times*

Budget Information FNS 796-2, Rev. 3

Documenting CACFP Expenditures

- *Original Receipts*

- *Payment documentation, such as a canceled check*

- *A tracking or bookkeeping system*

- *Monthly billing statements*

Budget Information FNS 796-2, Rev. 3

Less-Than-Arms-Length Transactions

- *The definition of a less-than-arms-length transaction is one under which one party to the transaction is able to control or substantially influence the actions of the other(s).*

- *All less-than-arms-length relationships involving CACFP must be disclosed to ADE. All costs for less-than-arms-length transactions require scrutiny and the allowable cost to the CACFP may be limited*

Application and Management Plan 226.6(c)(3)(iii)(A)(7)(B)(*ii*)

Application Requirements

- *Must demonstrate integrity of Sponsor*

- *Reflects internal controls for managing CACFP*

- *Renewed every fiscal year*
  - *Excel and Adobe Acrobat*

- *Applications <u>cannot</u> be processed if incomplete – will be processed within 30 days of the final receipt of a complete and correct application*

Application and Management Plan

Helpful Reminders

- *When completing the Civil Rights Pre-Award Compliance form ensure that you are specific when answering question # 2. "What efforts will be made by applying organization to contact minority and grass roots organizations about the opportunity to participate in the program?"*

  - *How do you reach the public? For example, do you deliver flyers and brochures to local schools and/or community organizations. Do you conduct an open house, use bilingual employees, advertise, or perform other specific marketing practices?*

Application and Management Plan

Helpful Reminders

- *When answering question # 5. "How has the applying organization taken steps to notify employees, participants, and applicants that the agency does not discriminate against persons with disabilities?"*
  - *And Justice For All Poster in prominent view to the public, conduct Civil Rights Training to employees, discuss the non-discrimination policy and procedure, provide Meal Benefit forms in multiple languages as needed*

Application and Management Plan

Helpful Reminders

- *Page 1, 1.A. Entity – What Am I?*
  - *Public Entity (city, County, Military, other)*

    or

  - *Private Entity (For Profit, Non Profit)*

- *Page 1, 1.B. Include your Free/Reduced/Paid number of participants and ensure that those numbers match your Civil Rights Data Collection Form*

- *Page 1, 1.C. Meal Times (split shifts, duration, customary times)*

Application and Management Plan

Helpful Reminders

- *Page 1, 2.A. Identify other Programs you participate in; i.e. scholarships, 21st Century, Children 1st, United Way, DES*

- *Page 2, 2.A. Qualifications (Read the example) ensure you are specific enough; as if advertising the position*

- *Page 3, 5.A. Develop your own training and keep records on file for review*

  - *Train new staff (not Business/Nutrition Track)*

- *Page 3, 5.B. Training must occur in the current FY after (10/01/13)*

Application and Management Plan
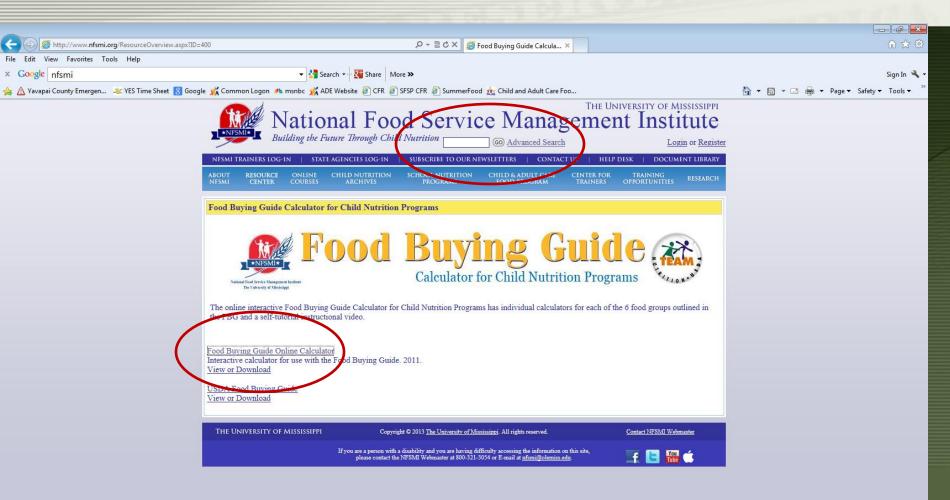
Helpful Reminders

- *Page 4, 8. Disclosure – must list disclose any related-party transactions, less-than-arms-length transactions (janitorial, pest control, accountant, etc.)*

- *Page 4, 7. B. List where records older than 1 year are kept (full address)*

- *Page 4, 9. Subcontracts – Don't check N/A here and then list items such as (janitorial, pest control, accountant, etc.) on Page 8 and 9. Send copy of contract*

- *Page 4, 10., Ensure date of birth is included and address is a non-business address*

Application and Management Plan

Helpful Reminders

- *Page 4, 11. Read the document list and submit required documents*
- *Review sign and submit the application checklist*
- *Submit most current 3 months worth of bank statements*
  - *Non-profits may send most recent Annual Financial Report)*
  - *keep personal expenses out of business accounts*
- *Page 5, 1.A. Administrative Labor (Realistic for CACFP only) focus on #days open*
  - *Time Distribution Sheets must match*

Application and Management Plan

Helpful Reminders

- *Page 6, 1.B. Operational Labor (15 Min. per meal, per duties)*

- *Page 6, 7.3. Food Costs – 50%. Ensure Sponsor Claim is submitted for YTD totals. Increase by Cost of Living %*

- *Page 8 & 9, 5. Facility Costs - Submit a copy of your lease. If you own the building, depreciation schedule is required or do not claim. If fully depreciated, you may not claim*

- *Ensure that you carry any revisions you make through to pages 10-11 if you are completing the Management Plan manually*

Application and Management Plan

Helpful Tips

- *If you were <u>not seriously deficient during your last review, audit or agreed upon procedure</u>, you may complete the (short version) of the Management Plan*

- *If you were <u>not seriously deficient during your last review, audit or agreed upon procedure</u>, you may complete your Production Records on the National Food Safety Management Institute (NFSMI) Website at <u>http://fbg.nfsmi.org/</u>*

  - *Conduct a search for the "Food Buying Guide" using the search box on the main web page*
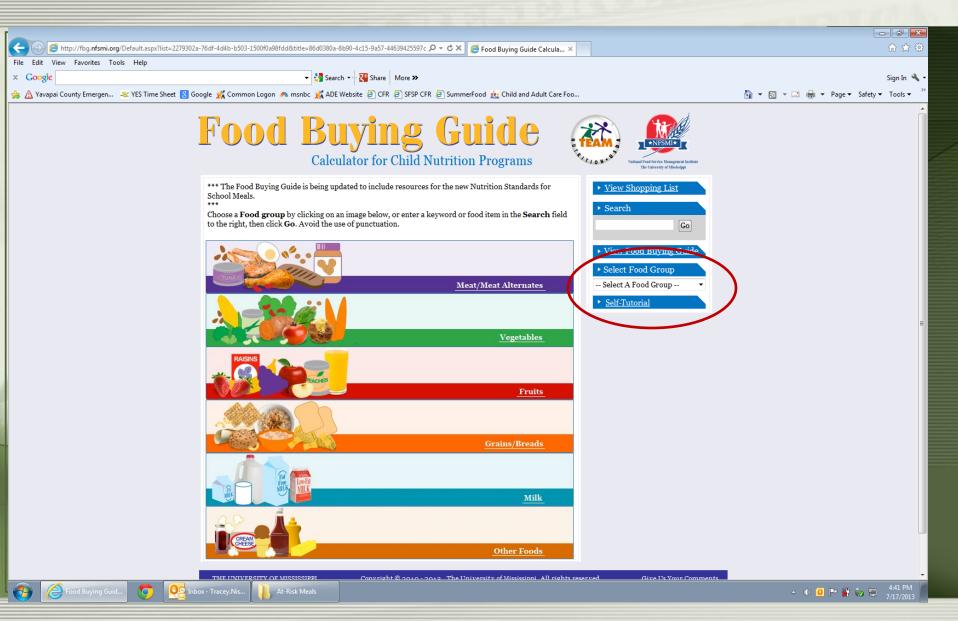
  - *Then select the "Food Buying Guide Online Calculator"*
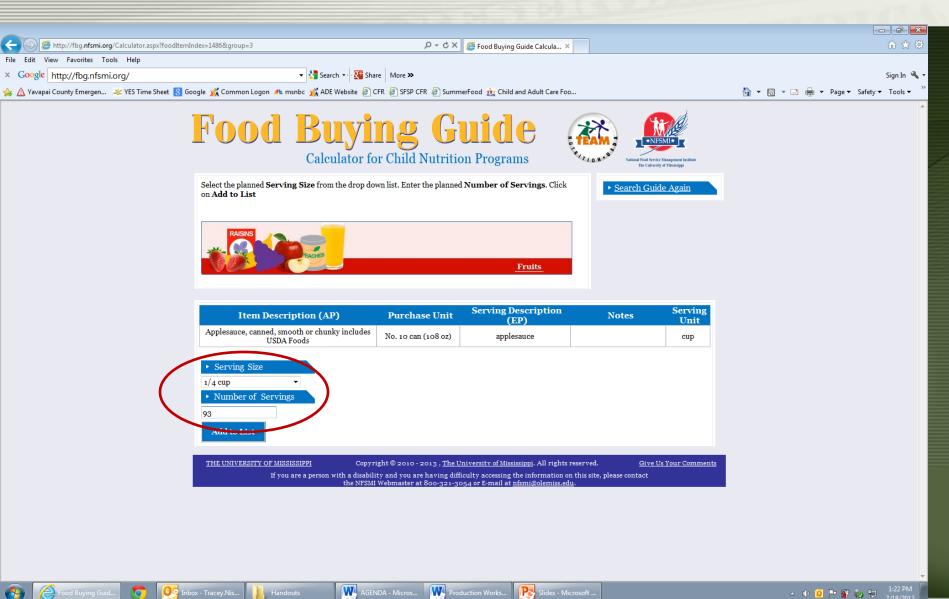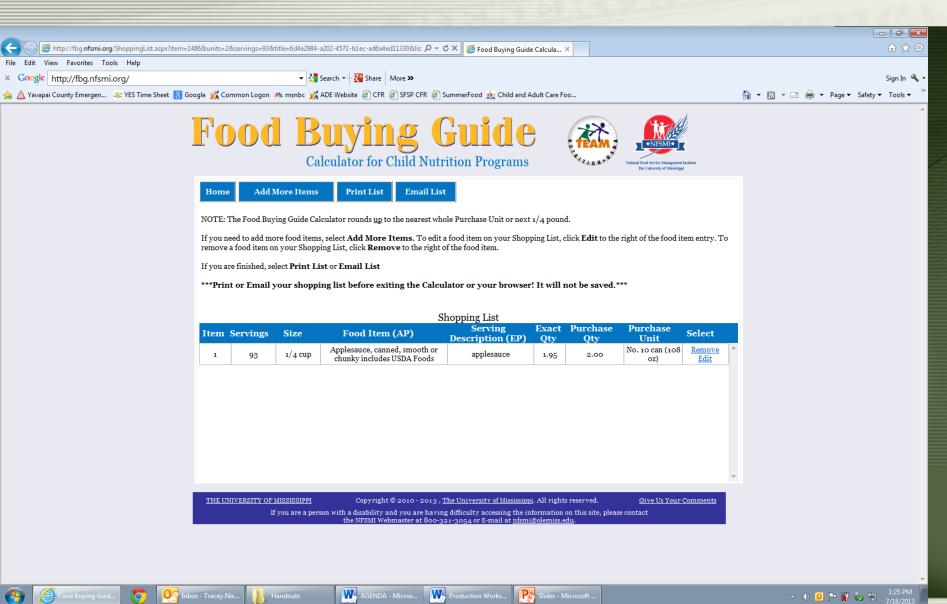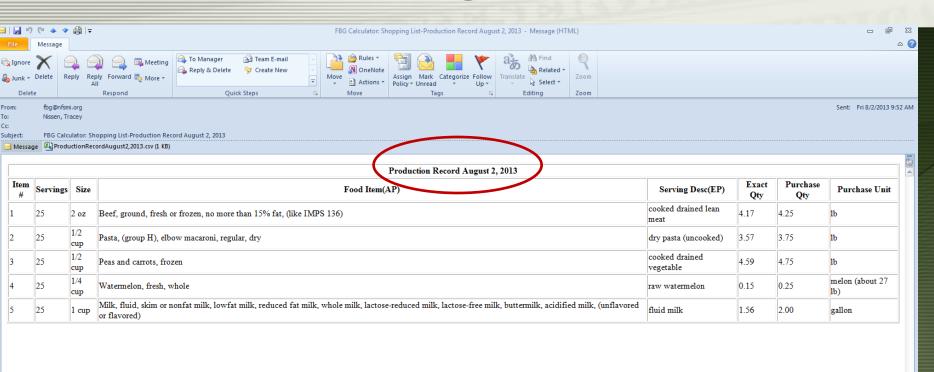
Application and Management Plan

Application and Management Plan

Helpful Tips

- *Select an item from one of the food groups based on your purchase unit (lb., gallon, #10 can, etc.)*

  1. *Enter the serving size for the appropriate age, and the number of servings required*

  2. *Select add to List and it automatically calculates.*

  3. *Keep adding foods from the food groups, until your meal plan is complete*

  4. *Print a report. Remember to add the date and type of meal to the report*

Application and Management Plan

Application and Management Plan

Application and Management Plan

Application and Management Plan

Production Record August 2, 2013

Item #	Servings	Size	Food Item(AP)	Serving Desc(EP)	Exact Qty	Purchase Qty	Purchase Unit
1	25	2 oz	Beef, ground, fresh or frozen, no more than 15% fat, (like IMPS 136)	cooked drained lean meat	4.17	4.25	lb
2	25	1/2 cup	Pasta, (group H), elbow macaroni, regular, dry	dry pasta (uncooked)	3.57	3.75	lb
3	25	1/2 cup	Peas and carrots, frozen	cooked drained vegetable	4.59	4.75	lb
4	25	1/4 cup	Watermelon, fresh, whole	raw watermelon	0.15	0.25	melon (about 27 lb)
5	25	1 cup	Milk, fluid, skim or nonfat milk, lowfat milk, reduced fat milk, whole milk, lactose-reduced milk, lactose-free milk, buttermilk, acidified milk, (unflavored or flavored)	fluid milk	1.56	2.00	gallon

Management Plan
ACTIVITY

Record Maintenance 7 CFR 226.10 (d) & 7 CFR 226.15 (e)

Recordkeeping Requirements

- *Must have a written record maintenance policy*
    - *Should include where specific records are stored, how long they are stored for, and who has access to them*
    - *Sample policy has been provided in your handouts.*
    - *In the event that something happens to the director (i.e.. vacation or car accident), any staff member should be able to look at this policy and be able to find the required records without any confusion*

Record Maintenance – Common Practice

Maintain in Permanent Records (small folder or binder)

- *Written Record Maintenance Policy*
- *Permanent Agreement, signed*
- *Job Descriptions*
- *Policies & Procedures-(including Record Maintenance)*
- *Procedure for Complaints of Discrimination*
- *Free and Reduced Price Policy Statement*
- *CNP Web User Agreement*
- *CACFP Administrative Review Procedures*

Maintain in Current Fiscal Year Records (2 large binders)

- *Meal Benefit forms supporting F/R/P status (Binder 1)*
- *Application and Management Plan, including attachments (2)*
- *Procurement Standards Guidelines (2)*
- *Civil Rights Pre-Award Compliance Review (2)*
- *Civil Rights Compliance Data Collection (2)*
- *Computer Generated Meal Count Agreement *(2)*
- *Copy of Food Service Vendor Contract *(2)*
- *Staff training on CACFP required Topics (2)*

Record Maintenance - Common Practice

Maintain in Current Fiscal Year Records (2 large binders)

- *CN labels/Product Analysis Sheets, printouts of results from the CACFP nutrition calculator, recipes for all homemade items (2)*
- *Food Handler Cards (2 or hang in kitchen)*
- *Computer Generated Meal Count Agreement * (2)*
- *Copy of Food Service Vendor Contract *(2)*
- *Monitoring visit forms including 5-day reconciliations *(2)*
- *Last ADE Review/Audit/Agreed Upon Procedures (2)*

* = if applicable

Record Maintenance – Common Practice

Maintain in Monthly Records by Claim Month (folders or manila envelopes)

- All monthly records to validate your filed claim
- Sign-in/Sign-out Records
- Claiming Percentage Rosters
- Point of Service Meal Count Sheets
- Meal Count Summary Sheet
- Infant Menu Production Records

Maintain in Monthly Records by Claim Month (folders or manila envelopes)

- *Dated Menus including substitutions, if applicable*

- *Menu Production Records*

- *Allergy/Meal Substitution Form from Medical Authority*

- *Monthly Expense Worksheet which includes supporting documentation, i.e. invoices, statements, checks, time distribution sheets, etc.*

- *Food Service Cost Report which includes original receipts*

Record Maintenance – Common Practice

Required Supporting Documentation for Reviews *(Sample Announcement letter in folder)*

- *Current FY original documents must be kept onsite and made immediately available at the time of a review whether the review is announced/unannounced or an ADE reviewer/contracted auditor is reviewing (must have current month plus previous 12 months on site)*

- *Additional time will not be provided when documents are not available. If current FY documents are not available, you will be deemed seriously deficient for failing to follow program recordkeeping requirements*

Record Maintenance – Common Practice

Required Supporting Documentation for Reviews
(Sample Announcement letter in folder)

- *Previous 4 years of supporting documentation may be stored off-site, however, these records must also be made available within 24 hours upon request*
- *All CACFP documentation must be maintained for a total of 5 years*

Common Review Findings During FY2013

Enrollment

- *Parent Letter must be returned with the Meal Benefit Eligibility form (must either be copied on back of form or stapled to form)*

- *When determining income eligibility, the income conversion provided in the approval section of the form must be used. (Wkly x52, every 2 wks x26, twice a month x24, monthly x12)*

- *Second employee must edit check the Meal Benefit Eligibility form for accuracy (Two signatures are required)*

- *Each month sign in/out sheets must be used to create accurate claiming rosters*

Common Review Findings During FY2013

Meal Counts

- *Ensure meals are only claimed during approved meals times (per management plan) and that sign in/outs are complete.*

- *Participants must be given more than 15 minutes to consume a meal or snack to be claimable*

- *Point of Service meal counts must be totaled accurately – conduct edit checks*

- *Transfer Daily Meal Counts to the Meal Count Summary Sheet. Total all daily counts*

Infants

- *Infant Feeding Preference Forms must be updated as the child progresses in age (0-3 months, 4-7months, 8-11months)*

- *Maintain Daily Infant Meal Production Record to record meals served to participants birth to twelve months only. Transfer totals to Meal Count Summary Sheet*

- *For children 12 months or older remaining in the infant room (not walking yet) a separate Point of Service Meal Count Sheet must be used*

Meals/Menus

- *Ensure CN Labels are available for all processed and convenience items*

- *Must serve minimum required portion sizes of all components to ensure a creditable meal is offered*

- *Menus must be posted with dates and copy must be kept on file*

Meals/Menus

- *Any menu substitutions must be listed on the menu and maintained on file*

- *Clearly list all meal components on menu (i.e., hamburger on bun, spaghetti w/HM meat sauce)*

- *Label all homemade as "HM" and CN labeled entrée items "CN" on the menu*

Milk Requirements/Substitutions

- *Whole milk must be offered to children 12 months – 23 months*
- *1% or skim milk must be offered to children 24 months and older*
- *Children who cannot consume fluid milk due to special dietary needs (e.g. lactose intolerant), other than a disability, may be served non-dairy beverages in lieu of fluid milk*
  - *Parents or guardians must request, in writing, non-dairy milk substitutions*
  - *No medical statement necessary*
  - *The non-dairy beverage must be nutritionally equivalent to milk*

    7 CFR 210.10 (m)(3)

Milk Requirements/Substitutions

- *The following meet CACFP requirements:*
  - *8th Continent Soymilk (original, vanilla & light chocolate)*
  - *Pacific Natural (vanilla) and Ultra Soy Milk (plain)*
  - *Kikkomon Pearl Organic Soymilk (creamy vanilla & chocolate)*
  - *Great Value Original Soy Milk*

Monthly Expenses

- *Ensure only CACFP items are claimed from the receipts. Do not cut receipts*

- *Expenses on the Monthly Expense Worksheet must be actual expenditures (i.e. not a budget estimate divided by 12)*

- *Administrative/Operational Labor and Facility costs claimed must reflect those approved on management plan*

  - *If necessary, submit a revision to management plan to support increased costs*

- *A supervisor must review, approve and sign Time Distribution Reports for each employee monthly*

Monthly Expenses

- *All costs reported on monthly sponsor claim must have appropriate supporting documentation (i.e. original bills, invoices, receipts, copies of checks, etc.)*

- *At least 50% of CACFP Reimbursement must be used for quality food purchases (does not include fuel surcharges, supplies, or contract fees from distributors)*
  - *If not, corrective action will be assigned to implement the ADE approved 5 week cycle menus*
  - *Production worksheets may be re-assigned*
  - *Can lead to seriously deficiency finding and termination from CACFP*

Common Review Findings During FY2013

Training

- *All staff must be trained annually on the following CACFP topics:*
  - *Meal Patterns*
  - *Meal Count Procedure*
  - *Recordkeeping*
  - *Claims Submission*
  - *Reimbursement System*
  - *Civil Rights*
- *Annual Training Documents must be on file (sign in sheet, training agenda, training materials)*
- *All required forms are located on the ADE website at http://www.azed.gov/health-nutrition/cacfp/child-eligibility-forms/ and must be used unless otherwise approved in writing by ADE*

At-Risk After School Programs 226.15(g)

At-Risk Meals

- *Sites must be area eligible. (**50% or more F/R**)*

  http://www.ade.az.gov/health-safety/cnp/frpercentages/

- *Must provide organized educational/enrichment activities in a supervised environment*

- *Limited to 1 at-risk snack and 1 at-risk meal (usually supper) per child per day*

  - *Reimbursed at Free rate*

  - *Record keeping must be kept separate from regular child care records*

  - *Children attending a center participating in both the at-risk and day care at the center may receive no more than 2 meals and 1 snack or 2 snacks and 1 meal per day*

- *May claim only during school session*

  - *Includes intercessions, weekends, & holidays*

  - *Cannot claim meals during summer breaks*

Training

- *Training is required so that individuals involved in all levels of administration of programs that receive Federal financial assistance understand civil rights related laws, regulations, procedures, and directives*

- *Specific subject matter must include, but not be limited to:*
  - *Collection and use of data*
  - *Effective public notification systems (next page)*
  - *Complaint procedures*
  - *Compliance review techniques*
  - *Resolution of noncompliance*
  - *Requirements for reasonable accommodation of persons with disabilities*
  - *Requirements for language assistance*
  - *Conflict resolution*
  - *Customer service*

Civil Rights 226.6(b)(1)(xvii)(A-C) and FNS 113-1

Required Topics:

- *Effective Notification System*
  - *Program Availability*
  - *Complaint Information*
  - *Nondiscrimination Statement*
  - *Must be on all publications posted or given to public, including menus*
  - *Civil Rights Poster*

Civil Rights Pre-Award Compliance Form Page 1, A.2. regarding outreach. Document your advertising and marketing strategies. How do you reach new potential clients in your area

Civil Rights Data Collection by zip http://www.azstats.gov/state-data-center.aspx

- *Complaint and Compliance*
  - *Complaint Procedures – Must keep copy on file*
  - *Federal, State & Local Compliance*

- *Approved Non Discrimination Statements*

  1. *This institution is an equal opportunity provider and employer.*

  2. *"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."*

- *Limited English Proficiency (LEP) – Take reasonable steps to ensure access to CACFP and provide available resources*

- *For more information LEP go to: www.lep.gov*

Civil Rights 226.6(b)(1)(xvii)(A-C) and FNS 113-1

- *Religious Organizations*
  - *Equal Opportunity*
  - *Independence*
  - *Facilities*
  - *Discrimination*

For further information go to: *www.fbci.usda.gov*

ADE website: http://www.azed.gov/health-nutrition/civil-rights/

Aaron Thompson - Civil Rights Liaison/Contracts Management Officer 602-364-1965 Aaron.Thompson@azed.gov

CNP Web On Line Applications

Site Application

- *When submitting the online application, the SITE application must be submitted first*

- *Ensure the site application has been saved and submitted.*

Sponsor Application

- *Once the site application has been submitted, the sponsor application may be submitted*

- *If the sponsor application is submitted first, the system will not allow the site application to be submitted*

- *A specialist will have to **REJECT** the sponsor application in order to allow resubmittal*

- *Do not submit your online applications until the hard copy is approved as revisions may be required prior to approval*

Due Date

Application/Management Plan

- *Hard Copy Applications must be received in our office by **October 1st**. These are legal documents and cannot be completed in pencil (use blue ink for signatures)*
    - *Again, as a legal document, you may not use White out or correction tape*
- *Typed in Excel*
- *Online Applications will be available for submittal on September 1st*
- *Mail the originals with valid original signatures to:*

    AZ Department of Education
    CACFP Renewal
    1535 W. Jefferson Street, Bin #7
    Phoenix, AZ 85007

CACFP Directory

Check your CNP Web Sponsor Application or Sponsor Claim for the name, email, and phone number of your assigned Specialist. If a new specialist has not yet been assigned contact the specialist of the day.

Phoenix

- *Barb Simington*   *602-364-0161*
- *Carol Foxhoven*   *602-542-8719*
- *Kenny Barnes*   *602-364-1070*
- *Leona Benally*   *602-364-0141*
- *Mandy Quintanar*   *602-542-1970*
- *Michelle Roberts*   *602-364-2205*
- *Tracey Nissen*   *602-542-1550*
- *New Staff Soon*

Tucson

- *Elsa Ramirez*   *520-628-6774*
- *Ernie Montana*   *520-628-6776*
- *Suzanne Callor*   *520-628-6775*

ADE Participant Survey

Satisfaction Survey for all participating Organizations

- *Completely confidential*
- *Email addresses obtained from Application & Management Plan*
- *Expect email from Rachael.Hatfield@azed.gov*

Question & Answer Panel

30 Minutes of Open Q & A